meet the loss incurred for providing fixed line telecom service since the subscriber is charged below cost.

The A.D.C. regime has been put in place by the Telecom Regulator, to manage the substainability of the operations of the fixed line in a competitive environment particularly to support during the transition period when there is old fixed network with large coverage and which meet important social objectives in the telecom sector. This A.D.C. is not linked with Quality of Service.

Restructuring of postal network

1901. SHRIMATI JAMANA DEVI BARUPAL: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government have roped in global consultants KPMG to prepare a report on restructuring the postal network across the country;

(b) whether the mandate given to KPMG includes identififying new areas of business;

(c) whether the idea behind this restructuring is to wipe out Rs. 1400 Crores deficit;

(d) whether following this review the prices of postal products barring some essential common man items such as inland letters, envelopes and post cards could be increased to market rates; and

(e) if so, to what extent this revamping of postal network would be helpful?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) Yes, Sir, M/s. KPMG has been engaged to undertake a System Study of the Department of Posts.

(b) Yes, Sir.

(c) Yes, Sir. This is one of the objectives.

(d) The Study seeks to assist the department of define its Universal Service Obligation and to undertake an assessment of Department's

existing products in terms of their utility and economic viability, their pricing policies, in the context of technology induction undertaken so far, the relevance of these products and services in the changing environment and to suggest mechanism/action plan for re-engineering the existing products. Further action depends on the outcome of this study-report.

(e) This exercise will help the department to achieve the goals of competing on commercial terms with its competitors, strive for financial self-sufficiency and continue to discharge its responsibilities in terms of the Universal Service Obligation.

Incentives to Telecom Services Providers

1902. DR. T SUBBARAMI REDDY:
SHRI GIREESH KUMAR SANGHI.

Will the Minister of COMMUNICATIONS AND INFORMATrON TECHNOLOGY be pleased to state:

(a) whether Telecom Regulatory Authority of India has pointed out that Government needs to increase the level of competition in the rural sector by offering incentives to Telecom Services Providers;

(b) if so, whether the TRAI has highlighted that the operators would be required to add 4 million new users every month compared with just around 1.5 million at present to achieve the target set by Government;

(c) if so, whether this is possible only if telephone services were made available in the rural segments;

(d) if so, what are the other points made in the study paper of TRAI; and

(e) to what extent Government have accepted the proposal and the steps taken to boost the rual telephones in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) and (b) Yes, Sir. These points are made by Telecom Regulatory Authority of India (TRAI) in the non-statutory study paper on 'Indicators' for Telecom Growth' (Study Paper No. 2/2005) which is issued on 30th June, 2005 for public information.